

Message Text

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TAGS: EINV, EFIN, ILO

SUBJECT: ILO CONFERENCE: RESOLUTION CONCERNING

TRANSNATIONAL ENTERPRISES (TNES)

REF: GENEVA 3899

1. IN ITS PRESENT FORM, WORKER INTRODUCED RESOLUTION ON TNES (REFTEL) IS UNACCEPTABLE TO USG. IF IT APPEARS THAT THIS RESOLUTION LIKELY TO BE AMONG THE TOP FIVE RECOMMENDED BY THE RESOLUTIONS COMMITTEE TO THE GENERAL CONFERENCE FOR THEIR CONSIDERATION, US DEL SHOULD ENDEAVOR TO HAVE PRESENT DRAFT SIGNIFICANTLY MODIFIED. FOLLOWING IS GUIDANCE ON SPECIFIC PROVISIONS OF DRAFT RESOLUTION.

2. PREAMBLE ASCRIBES TO TNES AN ALMOST COMPLETELY NEGATIVE ROLE IN THE WORLD ECONOMY WHICH WE FIND INACCURATE. IN PARTICULAR, WE CANNOT ACCEPT THE ASSERTIONS THAT:

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-- "THE CONTINUING GROWTH OF TNES. . . CREATES A CONCENTRA-

TION OF POWER OVER THE ECONOMY, TRADE, PRODUCTION, AND CONSUMPTION. . .";

-- "THIS GROWTH ESCAPES STATE CONTROL. . .AND CALLS INTO QUESTION WORLD ECONOMIC DEVELOPMENT AND INTERNATIONAL SOCIAL JUSTICE"; AND

-- "THIS PHENOMENON IS NOT UNCONNECTED WITH WIDESPREAD INFLATION AND THE SPECULATION. . .WHICH CONSTITUTE AN OBSTACLE TO THE DEVELOPMENT OF COUNTRIES AND PEOPLES. . .".

3. OPERATIVE PARA (A) SHOULD BE MODIFIED BY DELETING EVERYTHING AFTER "PROGRESS". A STUDY OF "THE STRATEGY OF TRANSNATIONAL COMPANIES AND THEIR SUBSIDIARIES AND THE FACILITIES FROM WHICH THEY BENEFIT IN ALL SPHERES OF THEIR ACTIVITY IN BOTH THE HOME AND THE HOST COUNTRY" APPEARS TO BE SO BROAD AS TO EXCEED THE COMPETENCE OF THE ILO AND SEEMS LIKELY TO DUPLICATE PORTIONS OF THE PROPOSED WORK PROGRAM OF THE UN COMMISSION ON TRANSNATIONAL CORPORATIONS. MOREOVER, THE EXISTING ILO WORK PROGRAM ON TNES IS ALREADY AN AMBITIOUS ONE WHICH WILL TAKE CONSIDERABLE TIME AND EFFORT TO COMPLETE.

4. US DEL CAN SUPPORT OPERATIVE PARA (B).

5. US DEL SHOULD OPPOSE OPERATIVE PARA (C). WHILE THE MEANING OF THE PHRASE "ENTERPRISE COUNCILS" IS NOT ENTIRELY CLEAR, IT APPEARS TO REFER TO THE PRINCIPLE OF CO-DETERMINATION. WE CANNOT ACCEPT AN ENDORSEMENT OF THIS CONCEPT WHICH IS NOT NORMAL PRACTICE IN US INDUSTRIAL RELATIONS. IN ADDITION, WE BELIEVE PARTICULAR FORMS OF CO-DETERMINATION COULD RESULT IN DEPRIVING ENTERPRISE MANAGEMENT OF ITS LEGITIMATE RIGHTS AND COULD POSSIBLY RESULT IN VIOLATIONS OF RIGHTS UNDER THE BILATERAL FRIENDSHIP, COMMERCE, AND NAVIGATION TREATIES WHICH THE US HAS WITH A NUMBER OF COUNTRIES.

6. OPERATIVE PARA (D) IS UNREALISTIC AND GOES FAR BEYOND WHAT THE USG COULD SUPPORT CONCERNING THIS ISSUE. WE COULD ACCEPT THE FOLLOWING ALTERNATIVE LANGUAGE: "TO MAKE PROPOSALS WITH A VIEW TO PROTECTING THE INTERESTS OF EMPLOYEES IN THE EVENT OF THE INTEGRATION, RESTRUCTURING LIMITED OFFICIAL USE

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OR TRANSFER OF AN ACTIVITY OF AN ENTERPRISE."

7. US DELEGATION SHOULD OPPOSE EXTENSION OF ILO'S TRIPARTITE STRUCTURE TO OTHER UN BODIES AS PROPOSED IN OPERATIVE PARA (E). THE UNIQUE STRUCTURE OF ILO REFLECTS ITS PARTICULAR AREA OF RESPONSIBILITY, AND IT WOULD BE INAPPROPRIATE TO EXTEND IT TO OTHER PARTS OF THE UN SYSTEM WHICH CONSIDER TNE ISSUES. US DEL SHOULD, HOWEVER, POINT

OUT THAT WE STRONGLY SUPPORTED PROVISION IN RESOLUTION
ESTABLISHING THE INTERGOVERNMENTAL UN COMMISSION ON TNCS--
ECOSOC RES. 1913 (LVII) -- THAT THE COMMISSION "SHALL
SELECT PERSONS ON THE BASIS OF THEIR PRACTICAL EXPERIENCE,
PARTICULARLY FROM TRADE UNIONS, BUSINESS, PUBLIC INTEREST
GROUPS AND UNIVERSITIES, BOTH FROM DEVELOPED AND DEVELOP-
ING COUNTRIES, WHO, IN A PRIVATE CONSULTATIVE CAPACITY,
WILL ASSIST THE COMMISSION. . . ." KISSINGER

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